

## **BUDGET SUMMARY- CAPITAL IMPROVEMENT PROGRAM**

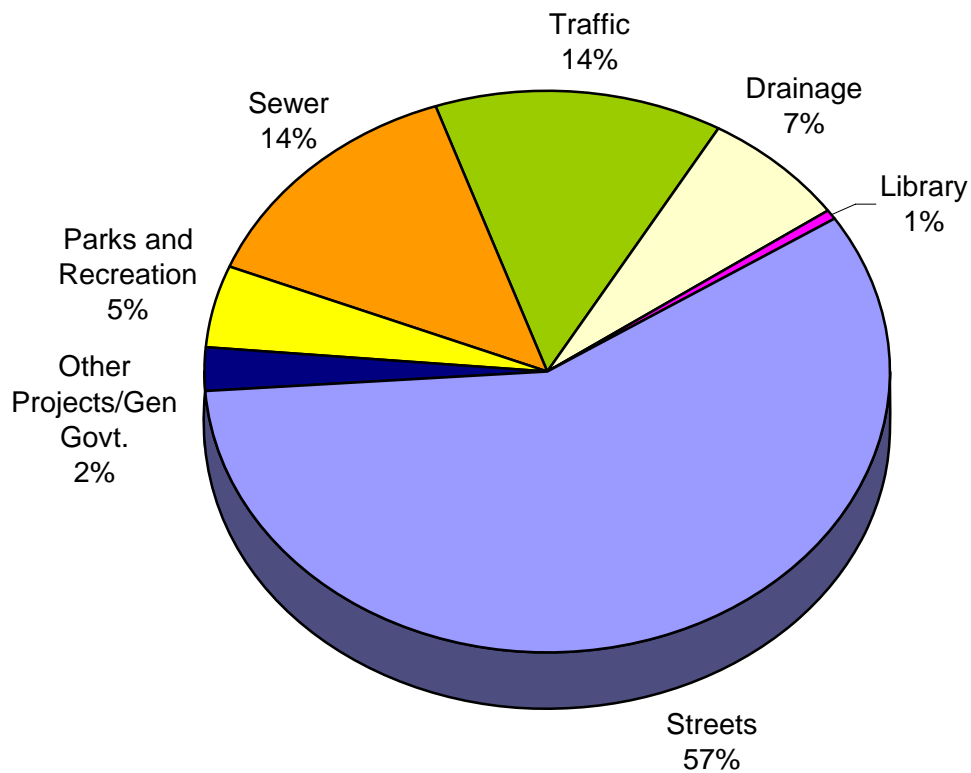
The Capital Improvement Program (CIP) budget for fiscal year 2007 is \$15.9 million. This represents an increase of \$6.7 million (or 72.8%) over the spending plan. Modifications of this magnitude are common given the often-unpredictable timing of large-scale capital projects.

The increase from the spending plan to the adopted budget are primarily attributed to the following projects:

- \$3.5 million for the Heritage Road Bridge (\$1.82 million from TDIF and \$1.68 million from a Federal Grant)
- \$350,000 in State Recreational Grant funding for Gayle McCandliss Park (\$230,000) and Eucalyptus Park (\$120,000)
- Additional \$960,000 in available TransNet funding spread over a number of projects
- \$600,000 additional in Trunk Sewer Funding (\$400,000 for sewer improvements on Moss Street from Woodlawn to Broadway)
- \$600,000 of additional CDBG funding for drainage improvements on Emerson Street
- \$640,000 of additional Sewer Facility Replacement funding (\$340,000 for sewer work associated with the drainage improvements east of Second Avenue and north of H Street and \$300,000 for various sewer replacements at freeway crossings)

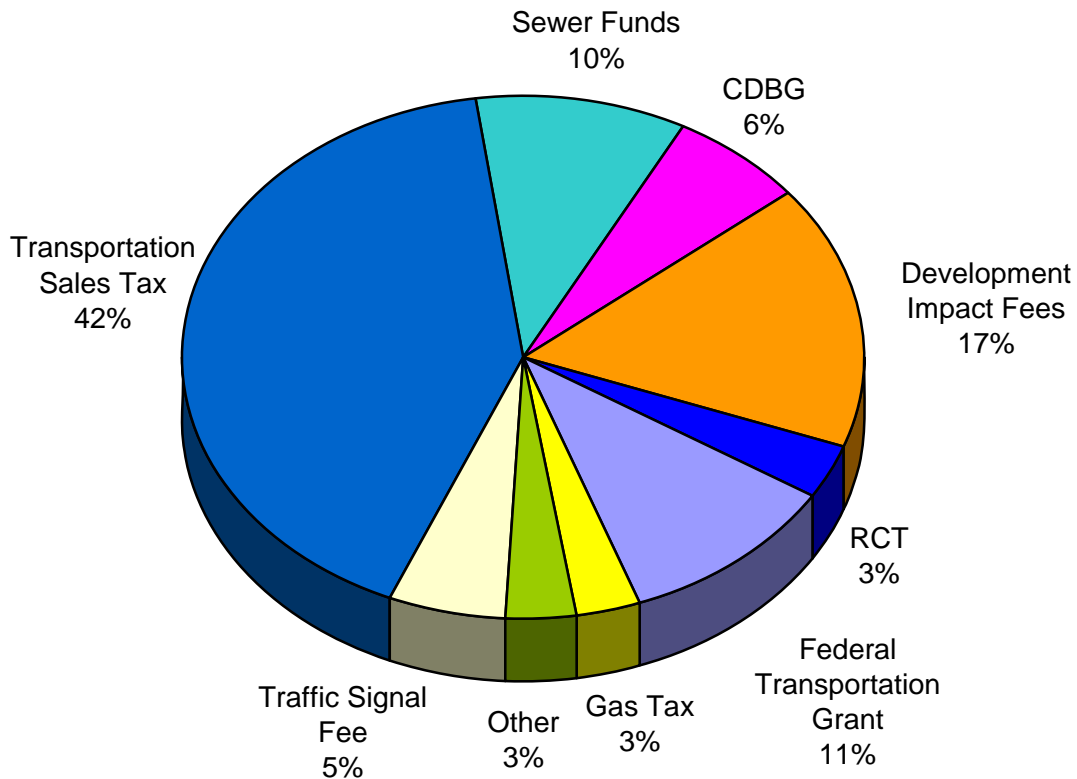
As shown by the graph on the next page, the largest portion of the fiscal year 2007 CIP is allocated to street projects (57%) followed by traffic projects (14%), sewer projects (14%), and drainage projects (7%).

### Fiscal Year 2007 CIP Budget by Project Type



The fiscal year 2007 Capital Improvement Program includes a number of key funding sources. As indicated in the graph on the next page, the largest portion of the fiscal year 2007 CIP is funded by the transportation sales tax (42%) followed by the development impact fee (17%), and a federal transportation grant (11%).

### Fiscal Year 2007 CIP Budget by Funding Source - \$15.9M



To follow are descriptions of most of the major projects included in the proposed \$15.9 million CIP for fiscal year 2007. For convenience, the projects are categorized by project type.

#### Street and Traffic Projects

**\$11.4 million**

As part of the fiscal year 2007 CIP budget, \$11.4 million is allocated for street and traffic improvement projects. The single largest project is for the Heritage Road Bridge project at \$3.5 million. This funding represents the initial phase of this large multi-jurisdictional project. The project contemplates carrying Heritage Road from Otay Ranch over the Otay River to the City of San Diego. This initial phase of work includes environmental analysis and review as well as preliminary engineering. The City obtained a Federal Grant (Safetea-lu) in the amount of \$1.68 million to help offset costs.

Another major street project that will start to move forward is the Fourth Avenue Reconstruction from Davidson to SR 54. \$3 million of TransNet funds have been programmed for this project. Design activities are underway and should be completed in fiscal year 2007. Construction activities will commence thereafter.

In terms of pavement rehabilitation, \$2.1 million of TransNet funding is recommended for fiscal year 2007. In addition, \$1 million of TransNet funding is proposed to be transferred from the fiscal year 2006 pavement rehabilitation program to an existing pavement and sewer improvement project on Moss Street between Woodlawn and Broadway.

In addition to the projects included in the budget, the City awaits the approval of its Section 108 Loan application from the U.S. Department of Housing and Urban Development (HUD). The loan in the amount of \$9.5 million would be utilized to install missing infrastructure improvements in the Castle Park neighborhood. The photograph below depicts the completion of a similar project on Dixon Drive.



The budget also contains funding for a number of new initiatives that the City Council has identified. Among these projects is \$175,000 for a School Zone Traffic Calming project, \$220,000 for the Neighborhood Safety Program and \$200,000 for the initial steps in the development of a new Traffic Control Center.

A significant effort is underway to develop a comprehensive inventory and planning document of the City's infrastructure. While there are no appropriations proposed at this time, it is anticipated that Council will be presented with a number of reports on these matters early in fiscal year 2007. This comprehensive review of our facilities will provide the City with a reliable, factual basis from which to prioritize capital needs and budget available funds appropriately.

**Drainage Projects****\$1.1 million**

The largest drainage project included in the fiscal year 2007 CIP budget is \$600,000 of CDBG funds for the Emerson Street Drainage Improvement Project in the Castle Park neighborhood. The budget also includes an additional \$340,000 of Sewer Facility Replacement Funds for an existing drainage project north of H Street and east of Second Avenue. The additional funding will be utilized to replace existing sewer lines in the area of the drainage project. The final drainage project included in the fiscal year 2007 CIP budget is \$150,000 for a comprehensive study of the Bonita Long Canyon area. This area has been susceptible to flooding and erosion in the past.

Not included in the budget but continuing to move forward is the City's effort to rehabilitate and/or replace corrugated metal pipe (CMP) throughout the City. This effort is funded as part of the Western Chula Vista Infrastructure Improvement Program. The City has developed a complete inventory of its CMP system and can now develop reliable priority lists of needed rehabilitation/replacement projects.

**Other Projects****\$3.4 million**

A number of additional projects included in the fiscal year 2007 CIP budget make up the balance of the program. Among the projects included in this category are:

- \$600,000 for sewer rehabilitations,
- \$117,000 for completion of the update to the City's Wastewater Master Plan,
- \$225,000 for renovations to Gayle McCandliss Park,
- \$120,000 for renovations to the North Pony League Field at Eucalyptus Park,
- \$350,000 to recover outstanding staff costs on both Veterans Park and Salt Creek Recreation Center, and other minor projects.